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CIA About to Start on The Comeback Trail

The nation's battered espionage service is promised more money, manpower, protection. Still needed: Cure for spies' slumping morale.

America's foreign-intelligence apparatus, tarnished by scandal and beset by budget and management problems, is on the threshold of a massive rebuilding effort.

In prospect: More money, more manpower and a renewed emphasis on clandestine operations abroad.

Behind the effort are William J. Casey, the director of central intelligence, and his deputy, Adm. Bobby Ray Inman—two intelligence veterans who are committed to strengthening not only the Central Intelligence Agency but all of the nation's spy units.

The job will not be easy. Years of budget cuts have left the agencies short on manpower and with morale at rock bottom. The number of workers engaged in overseas missions and analysis, for instance, has been chopped 25 percent over the past decade. Linguists and other experts are especially scarce.

Well-connected pair. But change already has begun under Casey and Inman, who are seen as a powerful team. Casey, a millionaire lawyer, author and entrepreneur, was Ronald Reagan's campaign manager and has a close personal relationship with the President. Inman is a career intelligence officer—described by one senator as "the outstanding intelligence expert in the world"—who headed the supersecret National Security Agency during the Carter administration.

Convinced that America's intelligence system is very good but not nearly as good as it could be, they are asking Congress for about 10 billion dollars—an increase of at least 7 percent—to support the dozen agencies that make up the foreign-intelligence community.

About a fourth of the secret budget goes for the battlefield-intelligence systems used by the armed forces. The rest supports efforts to keep track of events throughout the world that could affect the security or vital interests of the United States. Of the 10 billion, most is earmarked for spy satellites and other intelligence-gathering technology and relatively little for the CIA itself.

Despite all the emphasis on a bigger budget, however, Casey's immediate challenge is to rebuild morale. The CIA, says its chief, "suffers from institutional self-doubt."

Morale, which began plummeting amid revelations of intelligence abuses in the mid-'70s, hit a new low during Adm. Stansfield Turner's four years as President Carter's intelligence chief. By one estimate, 2,800 CIA officers retired—many of them prematurely—during his controversial tenure.

Some observers say that Casey, a crusty former World War II spymaster, already has made substantial headway toward bucking up flagging spirits in the agency.

"There has been a rebuilding of morale," says one former official. "Casey

Powerful team takes over. CIA Director Casey, left, has strong links with Reagan White House, while Deputy Director Inman ranks among world's foremost intelligence experts.

MARION TRIKOSKO—USN&WR

able to correctly judge the outcome of political developments that could have damaging consequences for the United States. Casey acknowledges that "often intelligence is expected to predict what course a country will take when the leaders of that country themselves don't know what they will do next."

During the Iranian revolution, for example, the CIA had on the payroll only one first-rate analyst on Iranian politics—a man who had not been able to visit the country recently and who was hampered by inadequate reports of what was happening.

The potential for another intelligence breakdown is large, say sources. There are many countries for which the CIA still has no full-time analyst. This means that in times of crisis an expert in another field may be called upon to make snap judgments on a country whose language he does not